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Jerry Brown backs going forward with high-speed rail project

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FRESNO – Gov. Jerry Brown said Wednesday that California should press forward with its troubled high-speed rail project, despite growing criticism about the project's management and cost.

While the nation is in a "period of massive retrenchment," Brown told the Fresno Bee's editorial board, "I would like to be part of the group that gets America to think big again."

The Democratic governor had said little publicly about the project since it came under fire this year in Sacramento, with cost estimates rising and lawmakers questioning its oversight. The project, to connect San Francisco and Los Angeles, was once expected to cost about \$43 billion, a figure the California High-Speed Rail Authority is expected to update this fall.

Brown said his administration is "working directly with the authority to get their act together," adding, "I'm doing the best I can to keep this train running."

The rail project is one of two major infrastructure projects on Brown's agenda. He said he will present a plan for the other project – a peripheral canal or another way to move water through or around the Delta – within a year.

Brown's remarks came during a series of meetings in Fresno with elected leaders, law enforcement officials and others.

The visit was the first of his third term to the Central Valley city, which enjoyed substantial attention from former Republican Gov. Arnold Schwarzenegger, who called the Central Valley "the abs of California." Political and civic leaders in the conservative area hosted a tribute event for him before he left office.

Addressing the state's weak financial condition and persistent unemployment, Brown defended the budget package adopted this summer as necessary to stabilize the state's finances and to improve investor confidence in California.

He called the Wall Street credit rating agency Standard & Poor's improved outlook for the state a "mark of the power of the budget that I signed."

It was unclear, he said, whether California would require additional, midyear spending reductions.

The governor's Department of Finance said Tuesday that the state fell \$541 million short of its July revenue forecast. Brown's budget included an expectation of \$4 billion in higher revenue, requiring cuts to education, social services and public safety if revenue falls behind.

"Can't tell yet," Brown said when asked whether trigger cuts would be required. "But we're in place to have a very solid budget."

Still, he lamented Republican opposition that defeated his plan to extend higher taxes on vehicles, income and sales, and he again suggested a ballot measure to increase revenue next year.

Meanwhile, Brown said he and legislative leaders are considering a series of measures to address unemployment, suggesting he has a jobs plan but declining to discuss it in detail before talking with lawmakers this morning.

"We have a series of things that we're doing," he said. "Some are bills, and some are actions, and some are proposals."

Brown said in his gubernatorial campaign last year that growth in renewable energy could create at least 500,000 jobs, and he has increasingly talked about clean energy since passage of the budget.

Brown said a jobs plan proposed by Lt. Gov. Gavin Newsom last month "incorporates many ideas that I would endorse," but he said, "The proof is in the implementation."

Earlier Wednesday, Brown appointed former bank executive Michael Rossi to be his top jobs adviser, telling civic leaders in Fresno that the appointment was made to ensure the state is responsive to business.

Business leaders had lobbied Brown for months to name a jobs czar, and the governor had been considering an appointment at least since April. Carl Guardino, CEO of the Silicon Valley Leadership Group, called Rossi "a breath of fresh air."

Senate Republican leader Bob Dutton of Rancho Cucamonga applauded the appointment but said in a prepared statement that Rossi will be confronted by "job-killing bills" that Dutton said Democrats are rushing "out of the Legislature for the governor's signature."

Responding to a question about California's regulatory climate, Brown told the Fresno Bee that "the job killer was the lack of regulation in the mortgage market," adding that unemployment was a "direct result of lack of regulation of Wall Street and mortgage bankers."

Brown said he wants "to clear away the dumb rules" while keeping those he said are "smart."